



## FISCAL MEMORANDUM

### SB 530 - HB 792

March 6, 2023

**SUMMARY OF BILL AS AMENDED (004999):** Creates the *Tennessee Children's Trust Fund Act* (Trust). The Trust is established to provide support to nonprofit organizations and agencies of local governments that assist in the care of children to consist of donations, appropriations, or contributions from both public and private institutions, and will consist of the Tennessee Children's Trust Account (Trust Account) and the Tennessee Children's Special Reserve Account (Reserve Account). Requires that the trust be funded in FY23-24 by an initial deposit, 90 percent of which constitutes the principal of the Trust and will be placed in the Trust Account, and 10 percent of which constitutes the principal of the Reserve Account. Requires that subsequent transfer of funds be placed in the Reserve Account. Prohibits the principal of the trust in the Trust Account from being expended for any purpose. Requires trustees to annually determine the amount of funds in the Reserve Account that are available for appropriation and expenditures but prohibits them from determining how the funds are expended. Such funds will be available to the Department of Children's Services for allocation and distribution for the care of children in this state. Requires the trustees to prepare a financial report on the Trust at the close of each fiscal year, which, along with other financial records, will be audited by the Comptroller of the Treasury.

### FISCAL IMPACT OF BILL AS AMENDED:

**Increase State Revenue – Exceeds \$100,000,000/FY23-24/  
Tennessee Children's Trust Fund**

**Increase State Expenditures – Exceeds \$100,000,000/FY23-24/General Fund**

**Other Fiscal Impact – Expenditures from the Trust are anticipated to be made over a multiple-year period.**

Assumptions for the bill as amended:

- Pursuant to the proposed legislation, the trustees of the Trust are the Treasurer, the Comptroller of the Treasury, the Secretary of State, and the Commissioner of Finance and Administration, or any of their designees.
- The trustees will not be compensated specifically for their involvement with the trust, as it falls in the course of their regular business.
- The State Treasurer will be responsible for the investment of funds in accordance with guidelines established by the trustees; however, any costs to the Department of the

Treasury that are incurred as a result of this responsibility will be offset with the Trust's income.

- The Comptroller of the Treasury will be able to conduct audit work on the Trust within existing resources and personnel, without a significant increase in state expenditures.
- Any increase in revenue that results from donations and contributions from private institutions cannot be reasonably estimated.
- The amount of the initial deposit into the Trust is unknown. However, it is assumed that an amount exceeding \$100,000,000 in FY23-24 will be appropriated from the General Fund for initial deposit to the Trust. Expenditures from the Trust to nonprofit organizations and agencies of local governments are anticipated to be made over a multiple-year period.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/cd